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S E C R E T SECTION 01 OF 05 ABU DHABI 001292

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CENTCOM FOR CCJ5 - MG FINDLEY, REYES, RODRIGUEZ
NSC FOR NRAMCHAND, EABRAMS
JOINT STAFF FOR MG BREEDLOVE

E.O. 12958: DECL: 08/01/2017
TAGS: [PREL](#) [PTER](#) [PARM](#) [MOPS](#) [MARR](#) [IR](#) [LE](#) [AE](#)
SUBJECT: SCENE SETTER FOR VISIT TO UAE BY U/S BURNS AND U/S
LEVEY

REF: A. ABU DHABI 1286
[1](#)B. ABU DHABI 1273

Classified By: Ambassador Michele J. Sison
for reasons 1.4 (b) and (d).

SUMMARY

[1](#)1. (S) U/S Burns and U/S Levey: Embassy Abu Dhabi looks forward to your upcoming visit to the UAE. Your meetings with UAE's leaders come at a time when their attention is focused on U.S. policy in the Middle East and what this might mean to the UAE in the context of the violence in Iraq and Iran's aggressive regional posture. While the U.S. has long enjoyed a strong defense cooperation relationship with the UAE, the State-DOD-NSC-led Gulf Security Dialogue (GSD) has provided an opportunity to deepen that relationship. The UAE delivers strong support in the war on terror and has cooperated with us in Afghanistan, Iraq, Lebanon, and with security assistance to the Palestinians. UAE also provides critical basing and over-flight for U.S. reconnaissance and refueling assets as well as naval logistics support.

[1](#)2. (S/NF) While the UAE has offered political support for Iraq and identifies the first priority for the region as Iraqi stability, the UAE's (all-Sunni) leadership has exhibited a hardened attitude toward Prime Minister al Maliki, perceiving him as subservient to Iran and incapable of moving beyond sectarian bias to lead a unified Iraq. The UAE has in the past favored former Prime Minister Iyad Allawi, played an active role in the "Group of Six," and has stalled on its commitment to Iraqi debt relief in order to avoid al Maliki claiming any credit. The UAE has expressed concern over the situation in Baghdad, the failure of the al Maliki government to improve overall security in the country, and has privately castigated Iran for playing a "spoiler" role in Iraq. This scene setter should be read in conjunction with "Potential Arms Sales: Strengthening UAE Defensive Capabilities" (Ref A). End Summary.

[1](#)3. (S) We offer the following background on issues facing the UAE and our bilateral relationship:

- I. U.S. Defense Interests (para 4)
- II. Iraq (paras 5-7)
- III. Iran (paras 8-11)
- IV. Gulf Security Dialogue (paras 12-13)
- V. Counterproliferation/Financial Isolation (paras 14-16)
- VI. Other Regional Issues: Afghanistan, Lebanon, the
Palestinians (paras 17-21)
- VII. UAE Interlocutors (para 22)

I. U.S. DEFENSE INTERESTS

14. (S/NF) As will be highlighted during the August 2 visit by Secretary of Defense Gates to Abu Dhabi, the UAE's

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contribution to U.S. defense interests and regional stability has been extensive and enduring. The ports of Jebel Ali and Fujairah are vital to U.S. Navy interdiction operations, re-supply and sustainment, and combat support efforts across the region. Jebel Ali has hosted more port visits for each of the past three years than any other port outside the United States. Quantitative measures of UAE support include:

- 1,300 USAF personnel at Al Dhafra Air Base;
- a vigorous training schedule at the
multilateral Gulf Air Warfare Center at Al Dhafra;
- the F-16 Block 60 program;
- approximately 500 port visits last year;
- more than 150,000 U.S. servicemen and women
enjoying liberty annually in the UAE; and
- 250 UAE Special Operations forces serving with the
Coalition in Afghanistan.

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You might again express appreciation for this outstanding partnership.

II. IRAQ -- UAE LACK OF CONFIDENCE
IN PM AL MALIKI

15. (S) In recent months there has been a definite hardening of the UAE leadership's attitudes toward Prime Minister al Maliki, who is viewed by the Emiratis as little more than an "Iranian puppet." The UAE leadership has told us they do not see "much hope in investing in Iraq or much light on the horizon with al Maliki and his government." UAE leaders perceive him as biased and incapable of leading a non-sectarian, unified Iraq. Earlier UAE commitments to forgive most of the \$3.5 billion in Iraqi debt the UAE holds remain unfulfilled, with the UAE leadership asking why it should give al Maliki a chance to claim credit for debt relief. (Note: Although the UAE has not forgiven the debt, it is not collecting payments on it. End Note.)

16. (S) Meanwhile, the UAE has been engaged in regional efforts to facilitate reconciliation between Sunni and Shi'a forces. The UAE has frequently expressed alarm regarding Iranian influence in Iraq, and has made attempts to reach out to moderate Shi'a to encourage their engagement in the Iraqi political process independently of Iran. The UAE values and seeks reassurance of continued close consultation on U.S. plans and strategy involving Iraq and opposes any precipitous U.S. withdrawal from Iraq.

17. (S) While al Maliki has not visited the UAE in a year, Iraqi National Security Adviser Muwaffaq Al Rubaie was in Abu Dhabi on June 28, briefing the UAE National Security Advisor and Foreign Minister on security developments in Iraq. Reportedly, Al Rubaie was told that the Group of Six nations (UAE, Turkey, Jordan, Egypt, Saudi Arabia, Kuwait) would invite Iraq's security chief to its next meeting. According

to the UAE leadership, during this visit Al Rubaie took the attitude that UAE outreach actions in Iraq were hostile and also indirectly justified the Iranian influence. Al Rubaie reportedly focused his efforts on urging the Emiratis not to support Iraqi Sunnis.

III. IRAN - UAE BALANCING PRIVATE
RHETORIC WITH PUBLIC CAUTION

¶8. (S) The UAE's political relations with Iran have been strained over Iran's nuclear aspirations, its interference in Iraq's internal affairs, and Iran's ongoing 36-year occupation of three disputed islands)- Abu Musa and the Greater and Lesser Tunbs. The UAE has repeatedly asked for more detail on U.S. plans vis--vis Iran, as it fears being caught in the cross-fire if Iran is provoked or attacked. The UAE may also be concerned that as talks between the U.S. and Iran continue, the U.S. may "cut a deal" with Iran without first consulting the GCC nations.

¶9. (S) In meetings with us, UAE leaders have called for "action sooner rather than later against Iran" and privately speak in caustic terms about Ahmadinejad. Abu Dhabi Crown Prince Mohammed bin Zayed Al Nahyan (MbZ) has opined that any attempt at dialogue by Iran should be regarded as a pure faade, but at the same time he has emphasized that the UAE must think carefully about risks in the region and about its own future. The leadership has told us that they are not in a position to sacrifice \$16 billion in annual trade with Iran, while realizing that this same neighbor and major trading partner is also a potential threat.

¶10. (S) It has been estimated that up to 400,000 Iranians reside in the UAE (mostly in Dubai running various businesses) while many prominent Emirati merchant families trace their roots to Iran. Thus, cultural ties are historic and strong. It is worth recalling that immediately after the

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May 10-12 visit of Vice President Cheney, Iranian President Ahmadinejad made an official one-night stop in Abu Dhabi, where he was received with full honors as a Head of State, and then gave a defiant anti-U.S. speech at a Dubai sports arena to a mostly Iranian audience. The timing of Ahmadinejad's visit was perceived by many Emiratis as a reminder of Iran's position as a major power in the Gulf and perhaps a warning to them of the need to maintain "balanced" relationships.

¶11. (S) However much they may assist our mission in the region, the Emiratis are conscious of being wealthy, vulnerable players in a rough and unforgiving neighborhood that has the potential to boil over with Islamic extremist fervor which would directly threaten their way of life and the diverse, multi-national business-friendly atmosphere that characterizes the Emirates. The UAE leadership has consistently pursued a cautious, non-confrontational public posture towards Iran. They are reluctant to make public statements about Iran, often citing a "Chernobyl-like accident" as the basis of the threat from Iran's nuclear program rather than the possibility of launching or responding to an attack. In the past the UAE has been hesitant to participate in Gulf military exercises. The UAE did, however, send observers to Exercise Leading Edge 07 in October 2006 in the Gulf, which had a Proliferation Security Initiative theme. Similarly, the decision to host Exercise Eagle Resolve 2008, with a Theater Air and Missile Defense theme, should be seen as a praiseworthy step.

IV. GULF SECURITY DIALOGUE

¶12. (S) In Ref A, we provided an overview of what the UAE

leadership seeks in order to enhance its defensive capabilities. While the UAE acquisition priorities expressed do not exactly match what may be achievable from our perspective, the UAEG is eager to obtain an overarching Air and Missile Defense system at a cost of \$8-12 billion as soon as possible. The UAE currently has over \$3.2 billion in Foreign Military Sales cases and another \$8.5 billion plus in direct commercial sales in the Block 60 F-16 program. Since the May 2007 Gulf Security Dialogue and earlier meetings of the Joint Military Committee working groups and Air and Missile Defense working group, we have seen progress in our bilateral relationship in the areas of defense cooperation and regional security.

¶13. (S) The UAEG has indicated strong interest in purchasing 12 Patriot PAC-3/GEM-T anti-ballistic missile batteries and other missile defense systems in order to create an overarching air and missile defense architecture. The UAE has also expressed interest in Surface Launched Advanced Medium Range Air-to-Air Missile and Theater High Altitude Air Defense missile system. In addition, both Boeing and Northrop-Grumman are providing Requests for Information on an Airborne Early Warning and Control aircraft later this year.

¶V. COOPERATION ON COUNTERPROLIFERATION
AND FINANCIAL ISOLATION ISSUES

¶14. (S) We should continue to impress upon the UAEG the importance of tight controls on materials of proliferation concern -) including dual-use items. The UAE has proven cooperative in stopping shipments to Iran as long as it can make a tie to UNSCRs 1737 and 1747. It continues to hold two containers shipped from China to Iran in May, but has asked for USG assistance with the Chinese in returning these shipments.

¶15. (C) On the financial side, the UAE froze the assets of the Iranian Bank Sepah within four days of the UN resolution. According to the UAE Central Bank and the UAE's report to the UN, the bulk of the assets were trade finance, which in this case would pay non-Iranian banks for goods ordered prior

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to the imposition of sanctions. On June 25, the UAE notified the 1737 Committee that it intended to unfreeze trade finance debit accounts under the name of Bank Sepah owed to six UAE banks. We have requested that the UAE consider delaying or withdrawing this notification and provide more information on the nature of the transactions. On August 1, the Central Bank Governor told Ambassador that the accounts were still frozen, but that his intention was still to release "innocent" accounts of which the funds were not going to Sepah (septel). Central Bank officials confirmed that they were preparing a report to the UAE MFA explaining the issue in response to our request and the UN's request for information.

¶16. (S) It is unclear how much the UAE has done to isolate Iran financially as requested by the USG. The Abu Dhabi Investment Authority (ADIA) does not invest in Iran, but does use outside financial institutions and external fund managers to manage some of its assets. At the request of UAE Foreign Minister, Sheikh Abdullah bin Zayed Al-Nahyan (AbZ), Treasury created a list of international financial institutions dealing with Iran, which we then passed to AbZ.

¶17. (S) We continue our largely successful interagency cooperation efforts with the UAE through the counterproliferation Task Force (CTF) and the Joint Terrorism Finance Coordinating Committee (JTFFC). In June, we held a CTF Working group to discuss the UAE's draft export control law. The law has been passed by the UAE's Federal National Council, but is still awaiting ratification by the rulers of the seven emirates before it can be promulgated into law. In

April, we held the 4th JTFCC and discussed proliferation finance, and issues such as Somali/Taliban financing, charities regulation, and operational training to target bulk cash courier smuggling.

VI. OTHER REGIONAL ISSUES:
AFGHANISTAN - UAE SPECIAL OPS TROOPS

¶18. (S) While the UAE contributes 250 Special Operations troops to the Coalition effort in Afghanistan (with a potential increase of 50), it has not yet publicly acknowledged this participation in Operation Enduring Freedom. One of MbZ's oft-stated interests in sending Emirati Special Ops troops to Afghanistan is to get his military forces "bloodied" and battle-hardened so they may effectively confront imported or domestic extremism. The UAE Special Operations Command estimates that it has expended \$10.5 million in humanitarian assistance supporting Combined Joint Special Operations Task Force) Afghanistan during Operation Enduring Freedom. The UAE pursues Afghanistan reconstruction aid with an emphasis on road networks, mosques, medical facilities and schools and has made efforts at political mediation between Pakistan and Afghanistan. In January 2007 LTG Eikenberry escorted Afghan Armed Forces Chief of Staff General Bismillah Mohammadi Khan to Abu Dhabi in a bid to deepen direct engagement between the UAE and Afghanistan. The UAE Armed Forces Chief of Staff declared himself willing to help in any way possible, including training Afghan troops. UAE subsequently disbursed another \$30 million in general assistance and is renovating two runways in Afghanistan for military use. During the June visit of Afghan Defense Minister Wardak to Abu Dhabi, MbZ agreed to donate nine Mi-17 helicopters to Afghanistan.

LEBANON (AND SYRIA)

¶19. (S) The UAEG provides significant humanitarian and security assistance to Lebanon and views Hezbollah and other Islamic extremists as hostile to its interests -) although it would hesitate to make a public statement to that effect. The UAE has been at the forefront of reconstruction efforts in Lebanon, continuing a longstanding de-mining operation, and contributing resources for school construction and

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hospitals. UAE Air Force C-130s and helicopters have been used in relief efforts. The UAE has also provided UAE-manufactured pistols and ammunition to the LAF. The UAE Foreign Minister recently had a conversation with Lebanese PM Siniora on a proposal for a Muslim force for Lebanon (under UN mandate).

¶20. (S) The UAE seeks to strengthen the Siniora government, having delivered \$300 million in assistance to Lebanon this year, while also seeking engagement with other parties. UAE President Sheikh Khalifa bin Zayed Al Nahyan and other senior UAE officials paid a July 15-16 visit to Damascus, announcing the donation of \$10 million towards the support of Iraqi refugees and \$100 million to establish a hospital in Damascus. The UAE has conveyed private frustration and displeasure with Syrian meddling in Lebanon and has said it would express its (and our) concern about foreign fighters entering Iraq through Syria to the Syrian leadership. One goal of Sheikh Khalifa's visit, according to AbZ, was to try to persuade Syrian President Bashar Al Asad that he belongs "with the Arabs" and that he should loosen his close ties to Iran.

PALESTINIAN ISSUES

¶21. (S) The UAE has argued for the primacy of the Palestinian problem in resolving various Middle East crises and would like to see tangible progress on the Middle East Roadmap. It would welcome the idea of a U.S.-sponsored peace conference as well as a two-state solution and may have thoughts on the question of timing and attendance. The UAE rejects the Hamas agenda as fundamentally anathema to its own national survival, and continues to support the Palestinian people through more than \$400 million in housing and humanitarian assistance since 2000. MbZ and his brothers, Foreign Minister Abdullah and National Security Advisor/State Security Director Hazza, are in close contact with President Mahmoud Abbas and Prime Minister Salam Fayyad. As the result of the May 2007 visit of USSC General Dayton, the UAE transferred \$80 million to the Palestinian president. During General Dayton's July 29 visit (Ref B), the UAE received our request to talk to the Saudis about restarting the Arab Quartet. The UAE has issued a public statement supporting the choice of Tony Blair as the Quartet envoy. (Blair visited the UAE on July 24.)

VII. UAE INTERLOCUTORS

¶22. (S) As always, Crown Prince MbZ will be eager to hear the views of senior USG officials and to offer his views on issues of regional security and stability. Prime Minister/VP/Ruler of Dubai Sheikh Mohammed bin Rashid Al Maktoum, we hear, will be out of the country. Governor of the UAE Central Bank Sultan Nasser al Suweidi looks forward to seeing you; we will confirm availability of Sheikh Ahmed (Abu Dhabi Investment Authority) and Foreign Minister AbZ as soon as possible.

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